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C O N F I D E N T I A L SECTION 01 OF 04 YEREVAN 000951

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SUBJECT: DAS BRYZA HEARS DISCONTENT, MIXED VIEWS, FROM  
CIVIL SOCIETY AND OPPOSITION

Classified By: CDA Joseph Pennington, reasons 1.4 (b,d)

¶1. (C) SUMMARY: In addition to Minsk Group business, EUR DAS Bryza met bilaterally with government officials (septel), civil society representatives and opposition political figures. Civil society representatives spoke mostly about democracy issues, ranging from tepid to hostile on authorities' efforts to reform and heal the political scene. In separate meetings with the opposition Heritage Party and the Armenian National Congress, Bryza discussed the status of Minsk Group/Nagorno Karabakh (NK) peace negotiations, in a bid to build broader political support for an interim settlement and dissuade Heritage from pressing the GOAM to recognize NK's independence. The politicians appreciated being drawn into that discussion, airing reservations and calling for the direct participation of NK representatives in the Minsk Group talks. Bryza also met two wives of political detainees (one an AmCit) to obtain an update on that situation. END SUMMARY

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ANGER AND DISAGREEMENT IN CIVIL SOCIETY  
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¶2. (C) EUR DAS Bryza met with leading civil society representatives Amalia Kostanjian (Transparency International affiliate NGO), Larissa Minassian (OSI), Alexander Iskandarian (Caucasus Institute), and Shushanik Dodoyan (Freedom of Information Center) to take the temperature of the political and human rights scene. Kostanian and Minassian expressed bitter disappointment over their perception that the international community was prepared to close its eyes to Armenia's human rights and democracy situation in order to achieve geopolitical breakthroughs with Turkey and Azerbaijan. In "another betrayal of democracy," Kostanian accused the U.S. of "closing the door on any movement or pressure on authorities," of "strengthening authoritarianism," and abetting further repression of human rights and free media. She said that international pressure earlier in the year had forced the GOAM into some reform efforts -- albeit incomplete and targeted at little fish, rather than the big players in politics and business. But the West had allowed itself to be distracted by tantalizing hints of breakthroughs on Turkey and NK, and chosen to be satisfied with half measures and window dressing. She said there had been no progress on the issues of political prisoners or elections, commenting that the latest local government elections had been "more criminal than ever." Kostanian commented that the Millennium Challenge Account program was seen as the flagship emblem of U.S. affirmation on democracy and human rights, and imposing real conditionality on MCA was the best tool the U.S. could use to influence Armenian authorities. She went on to decry government monopolization of the television airwaves, and to wonder aloud at the government's recently-announced plan to establish a new agency to monitor and regulate Armenian media, which she considered decidedly ominous.

¶3. (C) Minassian went further than Kostanjian, calling for MCA to be cancelled outright for Armenia's poor Ruling Justly performance. She relayed her deep disappointment at events since March 1, which she had hoped might finally galvanize the international community and Armenian society to demand greater accountability from the GOAM and "break the cycle of vicious practices." She acknowledged "tiny" progress on the fact-finding group to investigate March 1 events, but said that on what she considered the "three fundamentals -- elections, media, and judiciary/rule of law" there had been no progress, and "all government actions have been against democracy."

¶4. (C) Shushan Dodoyan and Alexander Iskandarian offered more nuanced perspectives. Dodoyan gave the Prime Minister credit for frankness on the problem of corruption, and she was cautiously optimistic about his seriousness on the issue, which she characterized as the bedrock of proper governance and rule of law. She noted, however, that "the average person on the street or at home feels no progress." She noted that the new government had made incremental improvements, for example by shaking up the Passports and Registration Division and the Traffic Police, but effects of this remained imperceptible to average citizens. Moreover, she was concerned about pending government-drafted legislation on freedom of information, which she said signals back-peddling from its commitment to transparency. More broadly, Dodoyan perceived a significant gap between government reform rhetoric and results.

¶5. (C) Iskandarian was also more measured, and disagreed with

YEREVAN 00000951 002 OF 004

Kostanjian and Minassian about whether the West should be blamed for abetting authorities' bad behavior. He pointed out that Armenian civil society lives, in large part, on Western donor support, including Kostanjian's and Minassian's organizations. He also felt Western mediation was constructive for Armenia on brokering possible compromise with Turkey. He commented that Western support was helping Armenian society and civil society gradually to develop in ways that will be enabling for democratic reform. He noted that education, media development, and anti-corruption require badly needed social reforms, and which could not be accomplished without international donors' help. Iskandarian strongly favored normalizing Armenia's ties with Turkey as a near-term priority, both for its economic benefits, and also for the longer-term benefits of ending Armenia's social, cultural, political, and economic isolation. He believed that an open Armenian-Turkey relationship would contribute greatly to both countries' "Europeanization," and social and political progress. He therefore considered it practical for the West to focus on realizing this goal.

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BRIEFING THE OPPOSITION ON NK  
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¶6. (C) Bryza also met, separately, with the opposition Heritage Party and Armenian National Congress, where he shared some details on the status of Nagorno-Karabakh negotiations. He asked both groups strictly to preserve the confidentiality of his presentation.

¶7. (C) HERITAGE PARTY: He met first with Heritage MPs Anahit Bakshian and Stepan Safarian. The two proved skeptical about compromises on NK, echoing Heritage's public calls for Armenian and international recognition of NK independence. Safarian commented "it is Armenian territory and its independence is an established fact." Bakshian asked "what historical precedent is there for reversing this kind of situation?" and commented that the U.S. (on Kosovo) and Russia (on South Ossetia and Abkhazia) have each shown themselves ready to acknowledge independence in such situations. "Why not here?" Safarian chimed in again to

express anxiety that Russia's real goal in pushing for NK settlement right now is to advance its own political and economic goals (especially gaining control over Caspian energy export routes), and this implies favoring Azerbaijan at Armenia's expense. Safarian hoped for a just NK peace with Azerbaijan which would allow Armenia to participate in future regional energy infrastructure projects, but was not willing to sacrifice NK for it. Safarian and Bakshian also called for NK representatives to be direct participants in the negotiations. On Turkey, Safarian said Heritage is "for open borders and normal relations with Turkey, but we are concerned this initiative comes from Russia." Safarian complained that Armenia has had previous bad experience with Russo-Turkish bargains at Armenia's expense, and he now feared that "history may be repeated." (NOTE: Safarian apparently was referring to the Treaty of Kars negotiation. END NOTE).

18. (C) Bryza shared his view that both Georgia and Azerbaijan perceive the potential danger of a resurgent Russian dominance of the energy infrastructure, and the compelling need to act against it. He said he thought Aliyev sincerely hoped, after successful NK peace negotiations, to draw Armenia away from Russian dominance so that Armenia could cooperate with Azerbaijan to create a new transit corridor, and eventually, perhaps even natural gas pipeline from Baku across Armenia to Turkey and onward to Europe. Bryza said that Aliyev understands that Azerbaijan's independence depends on having energy export routes to Europe that are free of Russian control, and "he won't give that up." Bryza commented that the Moscow summit (among the Russian, Armenian, and Azerbaijani presidents) was, against expectation, useful, because it had the effect of re-committing Azerbaijan to the Minsk Group negotiating format and to peaceful negotiations as the only means of settling the conflict. He said the Moscow Declaration was also useful for quieting Azerbaijani protests against invocations of the principle of self-determination. To Bakshian's appeal that the U.S. and Russia should "come together to recognize NK," Bryza replied that to do so would end the settlement negotiating process, which in turn would dramatically increase the risk of war. Bryza affirmed that, de facto, NK leaders have a role in the negotiating process; the co-chairs meet regularly with NK representatives, as does President Sargsian, and everyone understands that in practice no settlement can be possible without the buy-in of NK leaders.

YEREVAN 00000951 003 OF 004

19. (C) ARMENIAN NATIONAL CONGRESS: Bryza similarly briefed leaders from Levon Ter-Petrossian's Armenian National Congress on the status of NK discussions. Present at the meeting were Levon Ter-Petrossian (LTP), LTP's in-law/confidante David Shahnazarian, ANC Coordinator Levon Zurabian, Aram Sargsian and Artak Zeynalian of the Republic Party, Ararat Zurabian and Khachik Kokobelian of the Armenian National Movement party, and Stepan Demirchian of the People's Party. Shahnazarian and Levon Zurabian probed for details on such issues as refugee returns, timing and sequencing of agreed steps, possible peacekeeping forces, what kind of corridor might connect Armenia with NK and its status, and other hot-button questions. Shahnazarian reminded that until April 1992, Russian troops had controlled the corridor linking Armenia and NK, and Armenians and Karabakhis well remember that "not so much as a kilogram of sugar" was able to cross to NK from Armenia, illustrating the dangers of an insecure corridor. Aram Sargsian insisted that the current Armenian government is in no place to make any kind of peace deal on NK, or to make any such agreement stick, because of its deeply compromised democratic legitimacy. Levon Zurabian and Zeynalian echoed these themes. Sargsian and LTP raised the issue of political detainees, noting that two of those present in the meeting, Sargsian and Ararat Zurabian, still have charges pending against them and Ararat Zurabian had spent weeks in jail.

Sargsian complained that authorities continue to ban opposition demonstrations. Sargsian wondered aloud why the Madrid Principles remain a secret; if they are in Armenia's interests, they should be made public for a proper public debate. Continued secrecy gives rise to greater suspicion that it is in fact a bad deal for Armenia. LTP and other ANC representatives asserted that they had suspended their political rallies against the government specifically to avoid compromising the Armenian negotiators' position on the NK talks. Bryza welcomed this as a statesmanlike gesture, to be expected of patriots looking out for their country's interests.

¶10. (C) Bryza reassured that the negotiators all understand -- and he said he thought even President Aliyev understands and probably accepts -- that no deal is possible unless Karabakhis can "live without fear for their physical or economic security." The negotiations will need to work out the specific modalities for ensuring that. He also conceded that at some point NK representatives themselves will have to be parties to the negotiation more directly, though he reminded that NK leaders already have considerable de facto input into the negotiations. Bryza also assured the opposition leaders that the U.S. continued to press on democratic and human rights issues with the Armenian government, including on political prisoners, media freedom, freedom of assembly and other concerns. He commented that there can be no real or successful U.S. partnership with Armenia in the absence of genuine Armenian democracy.

¶11. (C) LTP SPEAKS: Ter-Petrossian made a number of comments in front of the full group, and then made some different comments in a private pull-aside with Bryza and the Ambassador. In the open meeting, he expounded on Serzh Sargsian's political weaknesses and failings, which LTP argued made Sargsian insufficiently strong to make and sustain an NK peace deal. He asserted that Armenian society does not accept Sargsian as a legitimate president after bad elections, the March 1 violence, and the State of Emergency. Furthermore, the public was disgusted with the "criminal regime" that Sargsian had inherited from Kocharian, and which in fact had been instrumental in installing Sargsian in power. LTP called the regime and its oligarch-supporters deeply corrupt, with millions of dollars of off-budget tax collections going not into state coffers but into government officials' pockets. The whole corrupt structure depends on the president, LTP said, and the NK authorities are simply a subsidiary constituent part of the same corrupt pyramid. LTP argued that NK representatives may make pious public statements of independent views, but in fact they are wholly in the pockets of Yerevan. For that reason, LTP argued, Sargsian would face no opposition to any NK deal from the ruling elites, but may face deep-seated public resistance. While the public has tolerated the government's "totalitarian ways" and anti-democratic behavior in many areas, such as predatory and confiscatory tax and customs agencies, he argued that the public would not tolerate what they perceived as a bad deal on NK. LTP said Kocharian and Sargsian have justified their misrule for ten years by the need to defend NK, and Sargsian's position will be weakened if he now agrees to a deal which is worse for Armenia, as LTP characterized it, than the one that was on the table ten years ago.

YEREVAN 00000951 004 OF 004

(COMMENT: And which led to LTP's own ouster. END COMMENT).

¶12. (C) ...OFF THE RECORD: In his private meeting with Bryza and the Ambassador, LTP emphasized three points. He said that the moment to achieve an NK settlement is now. He said it is critical for the United States to take the lead in this final stage of negotiations, so that it is a U.S. and not a Russian victory. He proposed that the U.S. host a conference as a means of regaining the initiative as lead negotiator and dictate the terms of a settlement. Ter-Petrossian said the basic outlines of an agreement are clear and the U.S. should short circuit shuttle diplomacy

between the two sides, convene a summit, and drive a solution.

¶13. (U) EUR DAS Bryza has cleared on this cable.  
PENNINGTON